

WILLIAM PEARS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

WILLIAM PEARS GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
WPG Registrars Limited

COMPANY SECRETARY

William Bennett

REGISTERED NUMBER

8476364

REGISTERED OFFICE

Ground Floor
30 City Road
London
EC1Y 2AB

INDEPENDENT AUDITORS

Arram Berlyn Gardner LLP
Chartered Accountants & Statutory Auditor
Ground Floor
30 City Road
London
EC1Y 2AB

WILLIAM PEARS GROUP LIMITED

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WILLIAM PEARS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

INTRODUCTION

The directors present their report and financial statements for the year ended 30 April 2019.

BUSINESS REVIEW

The Group's turnover for the year decreased to £74.4m (2018 - £75.3m). Operating profit before tax but after charitable donations increased to £31.8m (2018 - £27.0m) for the year. Profit before tax increased to £42.3m (2018 - £36.4m). During the year the Group donated 43% (2018: 44%) of its profit before tax to charity.

In the financial year the Group contributed £18.0m (2018 - £15.9m) to The Pears Family Charitable Foundation.

The profit before tax was impacted by an exchange gain on USD loan balances of £9.3m compared to an exchange loss of £8.9m in the previous year.

During the year interest received from lending to non-group companies decreased by 6% to £28.2m (2018 - £30.0m). The total loans to non-group companies at the year end were £394.1m (2018 - £398.7m). The directors are looking for opportunities to expand this area of the Group's business.

Net rental income from continuing operations increased by 4.8% to £26.0m (2018 - £24.8m), and the valuation of the investment property portfolio from continuing operations decreased by £33m to £382m (2018 - £415m) as a result of disposals during the year.

The Group has a strong balance sheet and net liquid funds. The Directors therefore consider the Group is well positioned for business in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks.

The principal risks for the Group are a reduction in the values of properties and of the Group's short term investments, loans and advances.

CREDIT RISK

This is the risk that counterparties will be unable or unwilling to meet their obligations to the Group as they fall due. It arises from lending transactions. The Board seeks to mitigate credit risk by focussing on niche market segments where it has specific expertise, through limiting exposures, by maintaining detailed lending policies and through rigorous underwriting processes.

LIQUIDITY RISK

This is the risk that the Group is not able to meet its financial obligations as they fall due, or can do so only at excessive cost. The company finances its operations through retained reserves and new lending is financed from cash available.

OPERATIONAL RISK

This is the risk of loss arising from inadequate or failed internal process or systems, human error or external events. Operational risk is managed by senior management having responsibility for understanding how operational risk impacts within their business area and for putting in place appropriate controls and other mitigating factors.

WILLIAM PEARS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

INTEREST RATE RISK

This is the risk that the value of the Group's assets and liabilities or profitability will fluctuate because of changes in market rate. The Group manages interest rate risk by lending to borrowers at commercial rates of interest and accepts the risk that this entails.

EXCHANGE RATE RISK

This is the risk that the value of the company's loan portfolio denominated in USD will fluctuate because of any significant movement in the US dollar/sterling rate of exchange which will impact our reported results.

The period since the decision to leave the EU has seen significant movement in the US dollar/sterling rate of exchange. The fall in the value of sterling relative to the US dollar in the financial year was 6% (2018 - 7% rise). This has had the effect of increasing the reported value of our USA loan balances. The company accepts the risk that this entails.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's key performance indicators during the year were as follows:

Turnover	£74.4m	2018: £75.3m
Profit after tax	£35.7m	2018: £31.7m
Equity shareholders' funds	£1,046m	2018: £1,010m

This report was approved by the board on 30 January 2020 and signed on its behalf.

Mark Pears CBE
Director

WILLIAM PEARS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019

The directors present their report and the financial statements for the year ended 30 April 2019.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The Group carries on the business of lending, property investment and dealing; and equity investment.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £35.7m (2018 - £31.7m).

Dividends amounting to £75,000 (2018 - £75,000) in respect of the ordinary shares were paid during the year under review.

DIRECTORS

The directors who served during the year were:

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
WPG Registrars Limited

FUTURE DEVELOPMENTS

The Group has a strong balance sheet which will position the Group well for business in the future. The directors expect the lending element of the Group's business to expand in the future.

WILLIAM PEARS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise loans, some cash in liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity and interest rate risks. The Group finances its operations through a mixture of retained profits, sales of trading properties and loans from related companies. Liquidity risk is managed by maintaining a balance between continuity of bank funding and flexibility through the use of loans from related companies.

The Group's policy is to lend to related companies at commercial rates of interest and the Group accepts the risk that this entails.

EMPLOYEE INVOLVEMENT

The Group employed an average of 139 people (2018: 134) during the year.

It is the Group's policy to treat its employees without discrimination and to operate equal opportunity and employment practices designed to achieve this.

The Group has an open and honest working environment and offers challenging, well rewarded jobs to its employees. The group also invests in its employees' training and development.

DISABLED EMPLOYEES

It is the Group's policy to give full and fair consideration to applications for employment made by disabled persons, to continue, wherever possible, the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled employees.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

AUDITORS

The auditors, Arram Berlyn Gardner LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 January 2020 and signed on its behalf.

William Bennett
Secretary

WILLIAM PEARS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIAM PEARS GROUP LIMITED

OPINION

We have audited the financial statements of William Pears Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2019, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

WILLIAM PEARS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIAM PEARS GROUP LIMITED (CONTINUED)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

WILLIAM PEARS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIAM PEARS GROUP LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Hughes ACA (Senior statutory auditor)
for and on behalf of

Arram Berlyn Gardner LLP

Chartered Accountants

Statutory Auditor

Ground Floor

30 City Road

London

EC1Y 2AB

31 January 2020

WILLIAM PEARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019**

	Note	2019 £000	2018 £000
TURNOVER			
Group and share of joint ventures' turnover	4	74,410	75,326
Joint venture's continuing operations		151	143
Less: share of joint ventures' turnover		(151)	(143)
		74,410	75,326
GROUP TURNOVER			
Cost of sales		(16,823)	(16,694)
		57,587	58,632
GROSS PROFIT			
Administrative expenses		(37,404)	(54,852)
Net (impairment)/release charges on loans and advances		(8,933)	2,749
Profit on sale of Investment property	5	3,258	945
Fair value movements	2.15,17	16,774	18,589
		31,282	26,063
OPERATING PROFIT			
Share of profit of joint venture	16	516	994
Share of profit/(loss) of associates		-	(65)
		31,798	26,992
TOTAL OPERATING PROFIT			
Income from fixed assets & dividends	9	1,786	326
Amounts written back from investments		-	7
Interest receivable and similar income	10	14,329	13,467
Interest payable and similar charges	11	(5,628)	(4,409)
		42,285	36,383
PROFIT BEFORE TAXATION			
Tax on profit	12	(6,569)	(4,690)
		35,716	31,693
PROFIT FOR THE YEAR			
		35,716	31,693
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		35,716	31,693
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		35,716	31,693
		35,716	31,693
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
		35,716	31,693
		35,716	31,693

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED
REGISTERED NUMBER:8476364

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Note	2019 £000	2018 £000
FIXED ASSETS			
Goodwill	14	-	218
Negative goodwill	14	(954)	(957)
Tangible assets	15	2,718	3,120
Investments	16	249,775	222,899
Investment property	17	381,701	414,940
		633,240	640,220
CURRENT ASSETS			
Stocks	18	180,039	144,289
Debtors: amounts falling due within one year	19	426,914	439,504
Current asset investments	20	144,579	134,446
Cash at bank and in hand		72,219	46,242
		823,751	764,481
Creditors: amounts falling due within one year	21	(365,140)	(340,255)
		458,611	424,226
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		1,091,851	1,064,446
Creditors: amounts falling due after more than one year	22	(2,251)	(5,635)
PROVISIONS FOR LIABILITIES			
Deferred taxation	25	(43,970)	(48,822)
		(43,970)	(48,822)
NET ASSETS		1,045,630	1,009,989

WILLIAM PEARS GROUP LIMITED
REGISTERED NUMBER:8476364

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2019

	Note	2019 £000	2018 £000
CAPITAL AND RESERVES			
Called up share capital	26	2	2
Capital redemption reserve	27	7,245	7,245
Investment property revaluation reserve	27	202,884	228,514
Profit and loss account	27	835,499	774,228
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		1,045,630	1,009,989
TOTAL EQUITY		1,045,630	1,009,989

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2020.

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Mark Pears CBE
 Director

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED
REGISTERED NUMBER:8476364

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Note	2019 £000	2018 £000
FIXED ASSETS			
Investments	16	937,642	937,642
		937,642	937,642
CURRENT ASSETS			
Debtors: amounts falling due within one year	19	4,003	3,881
Cash at bank and in hand		3	-
		4,006	3,881
Creditors: amounts falling due within one year	21	-	(17)
		4,006	3,864
NET CURRENT ASSETS		4,006	3,864
TOTAL ASSETS LESS CURRENT LIABILITIES		941,648	941,506
NET ASSETS		941,648	941,506
CAPITAL AND RESERVES			
Called up share capital	26	2	2
Profit and loss account	27	941,646	941,504
TOTAL EQUITY		941,648	941,506

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £217,000 (2018 - £242,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2020.

Mark Pears CBE
 Director

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019

	Share capital £000	Capital redemption reserve £000	Investment property revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 May 2018	2	7,245	228,514	774,228	1,009,989
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	35,716	35,716
Transfer realised gains to retained earnings	-	-	(48,654)	48,654	-
Transfer deferred tax	-	-	4,920	(4,920)	-
Transfer revaluation during the year	-	-	18,104	(18,104)	-
OTHER RESERVE MOVEMENTS FOR THE YEAR	-	-	(25,630)	25,630	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(25,630)	61,346	35,716
Dividends: Equity capital	-	-	-	(75)	(75)
AT 30 APRIL 2019	2	7,245	202,884	835,499	1,045,630

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018

	Share capital	Capital redemption reserve	Investment property revaluation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 May 2017	2	7,245	213,061	754,985	975,293
Prior year adjustment	-	-	-	3,078	3,078
At 1 May 2017	2	7,245	213,061	758,063	978,371
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	31,693	31,693
Transfer realised gains to retained earnings	-	-	(620)	620	-
Transfer deferred tax	-	-	(3,012)	3,012	-
Transfer revaluation during the year	-	-	19,085	(19,085)	-
OTHER RESERVE MOVEMENTS FOR THE YEAR	-	-	15,453	(15,453)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	15,453	16,240	31,693
Dividends: Equity capital	-	-	-	(75)	(75)
AT 30 APRIL 2018	2	7,245	228,514	774,228	1,009,989

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 May 2018	2	941,504	941,506
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	217	217
	-	217	217
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Dividends: Equity capital	-	(75)	(75)
AT 30 APRIL 2019	2	941,646	941,648

The notes on pages 17 to 42 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 May 2017	2	941,337	941,339
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	242	242
	-	242	242
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Dividends: Equity capital	-	(75)	(75)
AT 30 APRIL 2018	2	941,504	941,506

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2019**

	2019	2018
	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	35,716	31,693
ADJUSTMENTS FOR:		
Amortisation of intangible assets	215	223
Depreciation of tangible assets	548	628
Profit on disposal of tangible assets	(8)	(6)
Interest payable and similar charges	5,628	4,409
Interest receivable and similar income	(14,329)	(13,467)
Taxation charge	6,569	4,690
Increase in stocks	(35,750)	(9,222)
Decrease/(increase) in debtors	12,756	(49,211)
Increase in creditors	21,377	13,123
Net fair value gains recognised in P&L	(16,774)	(18,636)
Share of operating loss in joint ventures	(477)	(1,187)
Share of operating profit in associates	-	65
Corporation tax paid	(8,068)	(6,758)
Amounts written back from investments	-	(7)
Profit on sale of investment properties	(3,258)	(945)
Foreign exchange movement	(107)	6
Income from investments	(1,786)	(326)
NET CASH GENERATED FROM/(ABSORBED BY) OPERATING ACTIVITIES	2,252	(44,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(175)	(278)
Sale of tangible fixed assets	37	40
Purchase of investment properties	(15,665)	(44,685)
Sale of investment properties	69,043	2,547
(Purchase)/sale of listed investments	(10,133)	39,992
Purchase of short term unlisted investments	-	126
Purchase of trade investments	(27,099)	-
Sale of share in joint ventures	700	1,267
Sale of share in associates	-	771
Interest receivable and similar income	14,329	13,467
Income from investments	1,786	326
NET CASH FROM INVESTING ACTIVITIES	32,823	13,573

WILLIAM PEARS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

	2019	2018
	£000	£000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(3,371)	(310)
Repayment of other loans	(1)	-
Dividends paid	(75)	(75)
Interest payable and similar charges	(5,628)	(4,409)
	(9,075)	(4,794)
NET CASH USED IN FINANCING ACTIVITIES		
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	26,000	(36,149)
Cash and cash equivalents at beginning of year	46,219	82,368
	72,219	46,219
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	72,219	46,219
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	72,219	46,242
Bank overdrafts	-	(23)
	72,219	46,219
	72,219	46,219

The notes on pages 17 to 42 form part of these financial statements.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1. GENERAL INFORMATION

William Pears Group Limited is a company limited by shares incorporated in England and Wales. The registered office is Ground Floor, 30 City Road, London, EC1Y 2AB. The principal place of business is Haskell House, 152 West End Lane, London, NW6 1SD.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the rents receivable, sale of property trading stock, other activities and interest receivable.

2.6 Property transactions

Purchases and sales of properties are included on the basis of completions occurring during the year.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Negative goodwill is separately disclosed on the face of the Statement of financial position as a negative asset, and is recognised through the Statement of comprehensive income in the periods in which the non-monetary assets acquired are depreciated or sold.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Motor vehicles	-	25%	Reducing balance
Fixtures & fittings	-	15%	Reducing balance
Office equipment	-	15%	Reducing balance
Computer equipment	-	25%	Reducing balance or 3 years straight line

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 Stocks

Stocks of properties are valued at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, inventories are assessed for impairment. If property is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in income statement.

All repairs, maintenance costs and renewals are written off as incurred.

Certain refurbishment costs which are part of major property refurbishment programmes may, depending on the nature of the works being undertaken, be capitalised in the balance sheets as part of property stock.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and is rounded to the nearest £1,000.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.18 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.20 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.21 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.22 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.23 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.25 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group and Company's significant accounting policies are stated in note 2 above. Not all of these accounting policies require management to make subjective or complex judgments or estimates. The following is intended to provide further detail relating to those accounting policies that management consider critical because of the level of complexity, judgment or estimation involved in their application and their impact on the financial statements.

(i) Property

The Group's trading property is carried in the statement of financial position at the lower of cost and estimated selling price less costs to complete and sell. Provision is made to write down properties to fair value if this is below cost.

The Group's investment property is carried in the statement of financial position at fair value.

The valuation methodology described below determines the fair value of property.

Properties held in the residential and commercial portfolios were valued by the in-house surveyors at Managing Agents employed by the Group. These valuations were reviewed and approved by the directors.

For residential property, the Managing Agent's own qualified surveying team provided a vacant possession value and also recommend the discount to apply to the vacant possession valuations to establish the market value of each property. The discounts are established by tenancy type and are based on evidence gathered from recent transactional market evidence.

Similarly, for Commercial property, the Managing Agent's own qualified surveyors recommend the yield to be applied to the Estimated Rental Value ("ERV") based on the type of property and location to establish the market value of each property.

However, if any assumptions made by the Managing Agent's valuers prove to be incorrect, this may mean that the value of the Group's properties differs from their valuation reported in the financial statements, which could have a material effect on the Group's financial position.

(ii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of loans and advances, management considers the assets that the borrower has available to repay its debts.

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Rent receivable	32,466	30,902
Property sales	6,539	6,957
Other activities	7,174	7,470
Interest receivable	28,231	29,997
	<u>74,410</u>	<u>75,326</u>
	<u><u>74,410</u></u>	<u><u>75,326</u></u>

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	72,957	73,717
Rest of the World	1,453	1,609
	<u>74,410</u>	<u>75,326</u>
	<u><u>74,410</u></u>	<u><u>75,326</u></u>

5. PROFIT ON SALE OF INVESTMENT PROPERTIES

	2019 £000	2018 £000
Sale of investment properties	69,043	2,547
Historical cost	(17,131)	(982)
	<u>51,912</u>	<u>1,565</u>
Prior years revaluation surplus realised	(48,654)	(620)
	<u>3,258</u>	<u>945</u>
	<u><u>3,258</u></u>	<u><u>945</u></u>

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£000	£000
Depreciation of tangible fixed assets	548	628
Amortisation of intangible assets, including goodwill	215	223
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	155	148
Exchange differences	(9,262)	8,927
Other operating lease rentals	1,015	954
Defined contribution pension cost	283	326
	5,954	14,286

7. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Wages and salaries	16,863	17,778	-	-
Social security costs	2,201	2,354	-	-
Cost of defined contribution scheme	283	326	-	-
	19,347	20,458	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Administrative staff	139	134
	139	134

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

8. DIRECTORS' REMUNERATION

	2019 £000	2018 £000
Directors' emoluments	9,000	9,000
	<u>9,000</u>	<u>9,000</u>
	<u><u>9,000</u></u>	<u><u>9,000</u></u>

The highest paid director received remuneration of £3,000,000 (2018 - £3,000,000).

Number of directors to whom retirement benefits are accruing:-

	2019 No	2018 No
Defined contribution scheme	3	3
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

9. INCOME FROM INVESTMENTS

	2019 £000	2018 £000
Income from fixed asset investments	1,786	326
	<u>1,786</u>	<u>326</u>
	<u><u>1,786</u></u>	<u><u>326</u></u>

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Other interest receivable	14,329	13,467
	<u>14,329</u>	<u>13,467</u>
	<u><u>14,329</u></u>	<u><u>13,467</u></u>

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£000	£000
Bank interest payable	269	306
Other loan interest payable	5,251	4,095
Other interest payable	108	8
	5,628	4,409
	5,628	4,409

12. TAXATION

	2019	2018
	£000	£000
CORPORATION TAX		
Current tax on profits for the year	3,187	994
Adjustments in respect of previous periods	(215)	425
	2,972	1,419
	2,972	1,419
FOREIGN TAX		
Foreign tax on income for the year	772	106
	772	106
	772	106
TOTAL CURRENT TAX	3,744	1,525
	3,744	1,525
DEFERRED TAX		
Origination and reversal of timing differences	(4,939)	3,064
Tax on realisation of gains	7,764	101
	2,825	3,165
TOTAL DEFERRED TAX	2,825	3,165
	2,825	3,165
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6,569	4,690
	6,569	4,690

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	42,285	36,383
	<u>42,285</u>	<u>36,383</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	8,034	6,913
EFFECTS OF:		
Non-tax deductible expenses	265	258
Rollover relief on profit on disposal of fixed assets	(15)	-
Adjustments to tax charge in respect of prior periods	(215)	425
Timing difference leading to an (decrease)/increase in taxation	(4,939)	3,064
Non-taxable income	(2,985)	(2,544)
Book (profit)/loss on chargeable assets	(718)	(134)
Capital gains	8,446	235
Expenses not deductible for tax purposes	505	-
Losses carried forward	876	-
Foreign tax suffered	745	-
Valuation gains not taxable	(3,418)	(3,677)
Other	(12)	150
	<u>6,569</u>	<u>4,690</u>
TOTAL TAX CHARGE FOR THE YEAR	<u>6,569</u>	<u>4,690</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are no factors that may affect future tax charges

13. DIVIDENDS

	2019	2018
	£000	£000
Dividends paid on equity capital	75	75
	<u>75</u>	<u>75</u>
	<u>75</u>	<u>75</u>

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

14. INTANGIBLE ASSETS

Group

	Goodwill £000	Negative goodwill £000	Total £000
COST			
At 1 May 2018	3,504	(980)	2,524
At 30 April 2019	<u>3,504</u>	<u>(980)</u>	<u>2,524</u>
AMORTISATION			
At 1 May 2018	3,286	(23)	3,263
Charge for the year	218	(3)	215
At 30 April 2019	<u>3,504</u>	<u>(26)</u>	<u>3,478</u>
NET BOOK VALUE			
At 30 April 2019	<u>-</u>	<u>(954)</u>	<u>(954)</u>
At 30 April 2018	<u>218</u>	<u>(957)</u>	<u>(739)</u>

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

15. TANGIBLE FIXED ASSETS

Group

	Motor vehicles £000	Fixtures & fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 May 2018	637	7,419	1,112	9,168
Additions	150	25	-	175
Disposals	(91)	-	-	(91)
At 30 April 2019	<u>696</u>	<u>7,444</u>	<u>1,112</u>	<u>9,252</u>
DEPRECIATION				
At 1 May 2018	312	4,778	958	6,048
Charge for the year on owned assets	107	395	46	548
Disposals	(62)	-	-	(62)
At 30 April 2019	<u>357</u>	<u>5,173</u>	<u>1,004</u>	<u>6,534</u>
NET BOOK VALUE				
At 30 April 2019	<u>339</u>	<u>2,271</u>	<u>108</u>	<u>2,718</u>
At 30 April 2018	<u>325</u>	<u>2,641</u>	<u>154</u>	<u>3,120</u>

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

16. FIXED ASSET INVESTMENTS

Group

	Investments in associates £000	Listed investments £000	Investment in joint ventures £000	Trade investments £000	Total £000
COST OR VALUATION					
At 1 May 2018	11,075	2	6,951	204,871	222,899
Additions	-	-	-	27,099	27,099
Other	-	-	(112)	-	(112)
Net movements in the year	-	-	(700)	-	(700)
Share of profit	-	-	589	-	589
At 30 April 2019	11,075	2	6,728	231,970	249,775
NET BOOK VALUE					
At 30 April 2019	11,075	2	6,728	231,970	249,775
At 30 April 2018	11,075	2	6,951	204,871	222,899

LISTED INVESTMENTS

The market value of the listed investments at 30 April 2019 was £1,000 (2018 - £1,000).

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

16. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 May 2018	937,642
At 30 April 2019	<u>937,642</u>
NET BOOK VALUE	
At 30 April 2019	<u>937,642</u>
At 30 April 2018	<u>937,642</u>

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

16. FIXED ASSET INVESTMENTS (CONTINUED)

ASSOCIATED UNDERTAKINGS

There is also a 25% holding in Orbit Estates Limited (registered in England) which is the holding company for a group which carries on the business of property investment.

There is also a 50% interest in the issued share capital of Talisman Properties Limited (registered in England).

The group's aggregate share of the joint ventures' net assets at the Balance sheet date was as follows:

	2019	2018
	£000	£000
Fixed assets	7,676	7,774
Current assets	1,093	1,277
Due within one year or less	(583)	(623)
Provision for liabilities	(1,458)	(1,477)
	6,728	6,951
	6,728	6,951

TRADE INVESTMENTS

	Preference shares £000	Corporate bond £000	Total £000
At 1 May 2018	200,044	4,827	204,871
Additions	27,099	-	27,099
At 30 April 2019	227,143	4,827	231,970
	227,143	4,827	231,970

WILLIAM PEARS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

17. INVESTMENT PROPERTY

Group

	Freehold investment property £000	Long term leasehold investment property £000	Total £000
VALUATION			
At 1 May 2018	411,023	3,917	414,940
Additions at cost	15,399	266	15,665
Disposals	(65,785)	-	(65,785)
Fair value movement	16,460	314	16,774
Transfers between classes	67	(67)	-
Foreign exchange movement	107	-	107
AT 30 APRIL 2019	377,271	4,430	381,701

The 2019 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £000	2018 £000
Historic cost	128,815	131,510
	<u>128,815</u>	<u>131,510</u>

The 2019 valuations were made by the directors, on an open market value for existing use basis.

18. STOCKS

	Group 2019 £000	Group 2018 £000
Freehold and leasehold property	180,039	144,289
	<u>180,039</u>	<u>144,289</u>

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

19. DEBTORS: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	-	12,009	-	-
Amounts owed by group undertakings	-	-	4,003	3,881
Loan accounts with family connected companies	212,328	248,220	-	-
Other debtors	207,014	174,035	-	-
Prepayments and accrued income	7,366	5,200	-	-
Tax recoverable	206	40	-	-
	<u>426,914</u>	<u>439,504</u>	<u>4,003</u>	<u>3,881</u>

20. CURRENT ASSET INVESTMENTS

	Group 2019 £000	Group 2018 £000
Listed investments	30,148	20,015
Unlisted investments	114,431	114,431
	<u>144,579</u>	<u>134,446</u>

21. CREDITORS: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank overdrafts	-	23	-	17
Bank loans	4,083	4,330	-	-
Other loans	-	1	-	-
Trade creditors	21	-	-	-
Amounts owed to family connected companies	324,281	309,451	-	-
Corporation tax	10,760	7,266	-	-
Other taxation and social security	130	49	-	-
Other creditors	18,980	11,613	-	-
Accruals and deferred income	6,885	7,522	-	-
	<u>365,140</u>	<u>340,255</u>	<u>-</u>	<u>17</u>

Family connected companies are those companies in which the directors and/or their Family Trusts have a 50% or 100% interest.

Included in other creditors is an amount of £10,000 (2018: £15,000) secured by a legal charge over the properties held by HK Properties (UK) Limited.

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22. CREDITORS: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000
Bank loans	-	3,124
Other creditors	2,251	2,511
	2,251	5,635
	2,251	5,635

Included in other creditors is an amount of £1,000 (2018: £11,000) secured by a legal charge over the properties held by HK Properties (UK) Limited.

23. LOANS

Included within the above are amounts falling due as follows:

	Group 2019 £000	Group 2018 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	4,083	4,330
Other loans	-	1
	4,083	4,331
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	-	102
	-	102
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	-	332
	-	332
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	-	2,690
	-	2,690
	4,083	7,455
	4,083	7,455

The bank loan of Clearview Properties Limited incurs an interest rate which is bank's prime rate plus 1% per annum, with the interest rate at the year-end amounting to 4.95%. The loan is repayable by monthly instalments with the balance repayable by October 2020 (which was extended from April 2020 being the repayment date at the year-end), as agreed with the bank in October 2019. The loan is secured by a fixed charge over the freehold properties owned by the company.

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. FINANCIAL INSTRUMENTS

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
FINANCIAL ASSETS				
Financial assets that are debt instruments measured at amortised cost	636,140	614,950	4,005	3,880
	<u>636,140</u>	<u>614,950</u>	<u>4,005</u>	<u>3,880</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	349,616	331,053	-	-
	<u>349,616</u>	<u>331,053</u>	<u>-</u>	<u>-</u>

Financial assets measured at amortised cost comprise cash, intercompany loans and other debtors

Financial liabilities measured at amortised cost comprise other creditors.

25. DEFERRED TAXATION

Group

	2019 £000	2018 £000
At beginning of year	48,822	45,810
(Released)/charged to income statement	(4,852)	3,012
At 30 April 2019	<u>43,970</u>	<u>48,822</u>

The provision for deferred taxation is made up as follows:

	Group 2019 £000	Group 2018 £000
Tax on revaluation of investment properties	43,970	48,822
	<u>43,970</u>	<u>48,822</u>

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26. SHARE CAPITAL

	2019	2018
	£000	£000
Allotted, called up and fully paid		
2,220 Ordinary shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

27. RESERVES

Capital redemption reserve

The Capital Redemption Reserve is a non-distributable reserve representing amounts transferred following the redemption or purchase of the company's own shares.

Investment property revaluation reserve

The investment property revaluation reserve includes all current and prior year retained revaluations.

Profit & loss account

The profit and loss account includes all current and prior year retained profit and losses.

28. CONTINGENT LIABILITIES

A subsidiary undertaking was a limited partner in a Limited Partnership which carried on the business of Lloyds Underwriting. These investments were disposed of in 2018. Another subsidiary undertaking had guaranteed the liability of that subsidiary in connection with the facility amounting to £Nil (2018 - £225,000) provided by Barclays Bank plc. With effect from 3 August 2018, Barclays Bank Plc was released from all liability towards Lloyds under the bank guarantees.

29. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £283,000 (2018 - £326,000). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the reporting date.

30. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group
	2019	2018
	£000	£000
Not later than 1 year	1,076	1,059
Later than 1 year and not later than 5 years	4,230	4,175
Later than 5 years	7,857	8,694
	<u>13,163</u>	<u>13,928</u>
	<u>13,163</u>	<u>13,928</u>

WILLIAM PEARS GROUP LIMITED

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31. RELATED PARTY TRANSACTIONS

During the year there were the following transactions with companies and entities which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest.

	2019	2018
	£000	£000
Turnover	18,984	21,035
Management fees receivable	2,811	2,962
Loan interest payable	5,251	4,095
Rent payable	788	727
Dividends from trade investment	-	326
Other debtors interest receivable	8,145	7,605
	<u> </u>	<u> </u>

During the year, a subsidiary contributed £18.0m (2018 - £15.9m) to The Pears Family Charitable Foundation, a registered charity in which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears are trustees.

At the year end there were the following balances with companies and entities in which the directors have an interest.

	2019	2018
	£000	£000
Loans due from family connected companies	212,328	248,220
Management fees receivable	2,319	2,176
Loans due to family connected companies	324,281	309,451
Other debtors	181,836	150,565
Loan interest receivable	2,890	2,320
	<u> </u>	<u> </u>

32. BANKING ARRANGEMENTS

Certain subsidiary undertakings and family connected companies participate in group banking arrangements. Companies participating in the arrangement have a joint and several liability to the bank for the total group overdraft and loan indebtedness. The total amount outstanding at 30 April 2019 was £Nil (2018 - £Nil).

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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33. ACQUISITIONS AND DISPOSALS

On 1st May 2018, The William Pears Group of Companies Limited acquired 100% issued share capital of Highlaw Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Stocks	6,388	362	6,750
Debtors	23	-	23
Cash at bank and in hand	5	-	5
TOTAL ASSETS	6,416	362	6,778
Creditors	(25)	-	(25)
Group undertakings	(8,936)	-	(8,936)
Deferred tax	-	(69)	(69)
TOTAL IDENTIFIABLE NET LIABILITIES	(2,545)	293	(2,252)
Goodwill written off to the consolidated statement of comprehensive income			2,253
TOTAL PURCHASE CONSIDERATION			1
Consideration			
Cash			1

34. SUBSIDIARY UNDERTAKINGS

DIRECT SUBSIDIARY UNDERTAKINGS

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Shelfco 152 Limited	Trading	Ordinary	100%
WPG Finance Limited	Provision of Finance	Ordinary	100%
William Pears Group Investments Limited	Holding Company	Ordinary	100%
Hamways Limited	Managing Agent	Ordinary	100%

WILLIAM PEARS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

34. SUBSIDIARY UNDERTAKINGS (CONTINUED)

INDIRECT SUBSIDIARY UNDERTAKINGS

The following were indirect subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
The William Pears Group of Companies Limited	Trading	Ordinary	100%
Anglo Caledonian Asset Management Limited	Property Dealing	Ordinary	100%
Area Estates Limited	Property Dealing	Ordinary	100%
Bickenhall Engineering Company Limited	Property Dealing	Ordinary	100%
William Pears Limited	Property Dealing	Ordinary	100%
Haslam Court Management Limited	Management Company	Ordinary	100%
Avondale Properties Limited	Property Investment	Ordinary	100%
Capital Land Holdings Limited	Property Investment	Ordinary	100%
Castle Lane Securities Limited	Property Investment	Ordinary	100%
Clearview Properties Limited	Property Investment	Ordinary	100%
Freehold Portfolio Limited	Property Investment	Ordinary	100%
Hallway Properties Limited	Property Investment	Ordinary	100%
Long Acre Securities Limited	Property Investment	Ordinary	100%
HK Properties (UK) Limited	Property Investment	Ordinary	100%
Manzil Way Residential Limited	Property Investment	Ordinary	100%
Stanley N Evans	Property Management	Ordinary	100%
Swiftly Limited	Lloyds Underwriting	Ordinary	100%
UTB No1 Limited	Provision of Finance	Ordinary	100%
WX Investments Limited	Property Investment	Ordinary	100%
Aramis Holdings Limited	Holding Company	Ordinary	100%
WPG Treasury Limited	Provision of Finance	Ordinary	85%
The Welkin Property Company Limited	Property Investment	Ordinary	100%
Bromley Park Garden Estates Limited	Dormant	Ordinary	100%
Law and Equity Property Company Limited	Dormant	Ordinary	100%
Ordnance Estates Limited	Dormant	Ordinary	100%
Saint Cross Securities Limited	Dormant	Ordinary	100%
South Tottenham Land Securities Limited	Dormant	Ordinary	100%
Pears Style Limited	Dormant	Ordinary	100%
Highlaw Limited	Property Dealing	Ordinary	100%

The registered office of the above subsidiaries is Ground Floor, 30 City Road, London EC1Y 2AB.

ASSOCIATES

The following were associates of the Company:

Name	Registered office	Class of shares	Holding
Talisman Properties Limited	Dormant	Ordinary	50%
Stanley N Evans (Properties) Limited	Property Investment	Ordinary	50%
Orbit Estates Limited	Holding Company	Ordinary	25%

